

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on April 4, 2001 at 8:30 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: Sen. Mike Sprague, Vice Chairman (R)
Sen. Dale Berry (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 650, 4/1/2001; HB 357,
4/1/2001
Executive Action: HB 650

HEARING ON HB 650

Sponsor: REPRESENTATIVE DOUG MOOD, HD 58, SEELEY LAKE

Proponents: Mark Simonich, Department of Commerce
Webb Brown, Montana Chamber of Commerce
Ronda Carpenter, Economic Development and Housing

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0.8}

REPRESENTATIVE DOUG MOOD, HD 58, SEELEY LAKE, said the purpose of this bill is to co-ordinate web sites that offer grant and loan programs. He said that this bill directs the Department of Commerce to provide a convenient, accessible and comprehensive clearinghouse for information about available financial assistance offered by the state, provide financial assistance for the purpose of establishing financing for economic development, and streamline loan applications and maintain a central clearinghouse of information. He said this bill also repeals grant and loan programs which are no longer used.

Proponents' Testimony:

Mark Simonich, Department of Commerce, said this bill attempts to get the Department of Commerce to focus on economic development, to assist businesses in having easy access to the grants and loan programs available to them. He further stated that the Department of Commerce would then walk them through the process. He said this is a bill for economic development.

Webb Brown, Montana Chamber of Commerce, said he supports the bill because it will be a clearing house and streamlining action which will make the available resources more available to people.

Ronda Carpenter, Economic Development and Housing, said she was a part of consolidating this type of information for housing and it was very helpful for people.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SENATOR VICKI COCCHIARELLA asked why the job investment act was being repealed.

Andy Pool, Department of Commerce said that this program wasn't used anymore.

SENATOR ED BUTCHER asked how this would be funded.

Mark Simonich said it would be money that would come out of the Department of Commerce.

CHAIRMAN MIKE TAYLOR asked if the Governor's budget director was aware of the fiscal note.

Mark Simonich said yes.

Closing by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 18.9}

REPRESENTATIVE DOUG MOOD, HD 58, SEELEY LAKE, closed without comment.

EXECUTIVE ACTION ON HB 650

Motion/Vote: **SEN. BUTCHER** moved that **HB 650 BE CONCURRED IN**.
Motion carried unanimously.

HEARING ON HB 357

Sponsor: **REPRESENTATIVE DAN FUCHS, HB 15, BILLINGS**

Proponents: **Sam Yewusiak, Western Montana Fair, Missoula**

Opponents: **Jerry LaChere, Montana Lottery**

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 20.5}

REPRESENTATIVE DAN FUCHS, HB 15, BILLINGS, said the purpose of this bill is to provide appropriations to the board of Horse Racing, re-establish bonus payments for breeders of Montana-bred horses and to promote horse racing in Montana. **EXHIBIT (bus76a01)**

Proponents' Testimony:

Sam Yewusiak, Western Montana Fair, Missoula, said this bill positively affects the racing industry and the agricultural industry and he supports this bill.

Opponents' Testimony:

Jerry LaChere, Montana Lottery, said he opposes the bill because the bill has a general fund impact of \$250,000. By taking the money from the lottery advertising fund it creates a loss of revenue for the state. **EXHIBIT (bus76a02)**

Questions from Committee Members and Responses:

SENATOR SAM KITZENBERG asked why there has been a decline in number of days of horse racing.

Sam Yewasiak said that when electronic gambling came in horse racing declined.

SENATOR KITZENBERG asked about the breeder's bonus.

Sam Murffit, Board of Horse Racing, said 20% would go as a breeder's bonus.

SENATOR KITZENBERG said that at one time Montana breeders got more, and wanted to know what happened to that.

Sam Murfitt said the purses had fallen and the money from the breeder's bonus went into the purse money.

SENATOR RYAN asked about the projected loss of \$67,000 by the lottery if money went to horse racing, and asked how much money the lottery brings into the general fund in a year.

Jerry LaChere said about 6 million dollars a year.

SENATOR RYAN asked if horse racing generates any revenue in taxes for the state of Montana.

REPRESENTATIVE FUCHS said people who make money from racing pay taxes, and the revenue brought into the state through needed services and products.

SENATOR RYAN asked how much of the money from the lottery leaves Montana.

Jerry LaChere said the majority of the money stays in Montana.

SENATOR BUTCHER asked if the lottery is in a net gain.

Jerry LaChere said it has been consistent over the past 3 years at 30 million dollars.

SENATOR COCCHIARELLA asked the annual advertising budget of the lottery.

Jerry LaChere said approximately \$800,000 for a year.

CHAIRMAN TAYLOR said it would seem that horse racing would bring more money into the economy than the lottery would for the same dollar.

Mark Simonich said there is the potential that horse racing could become very big in Montana and generate money, the problem is that by taking money out of the lottery it is a direct reduction in the general fund.

SENATOR KITZENBERG said there is an inherent weakness in the bill, which is that the breeder's bonus too small to get Montana breeder's to become involved. He suggested an amendment.

REPRESENTATIVE FUCHS said he didn't have any problem raising the breeder bonus, but if the tracks don't have the money to operate than there wouldn't be any horse racing.

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 25.5}

REPRESENTATIVE DAN FUCHS, HB 15, BILLINGS, said that other states are investing in this industry and finding it to be a boost for their agricultural economy.

ADJOURNMENT

Adjournment: 9:30 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus76aad)